80 South Jefferson Road
Whippany, NJ 07981

Richard A. Askoff

Executive Director –
Regulatory & Government Relations

(973) 884-8350
raskoff@neca.org

DOCKET FILE COPY ORIGINAL

March 30, 2005

RECEIVED

MAR 30 2005

Federal Communications Commission
Office of Secretary

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service, CC Docket No. 96-45, National Exchange Carrier Association, Inc. 2005 Modification of Average Schedule Universal Service Formulas

Dear Ms. Dortch:

This filing is made in compliance with the Wireline Competition Bureau's Order, released on December 30, 2004 (DA 04-4070). Per paragraph 7 of the Order, NECA is filing all unadjusted account and loop data for each sample average schedule company used in the development of average schedule high-cost loop support for the years 2003, 2004, and 2005. NECA is also providing for each of those years account level and access line growth rates used to project costs and loop data. A detailed explanation of how these data were used to develop adjusted cost per loop (CPL) and expense adjustment per loop (EAPL) data for average schedule companies is included as well.

Data set forth in this *Supplemental Data Submission* show that NECA's cost growth adjustments are reasonable, and that increases in high cost fund support amounts for average schedule companies have been below increases realized by similarly-situated cost companies. It is critical that the Bureau maintain a method for support to average schedule companies that is sufficient, predictable and based firmly on careful analysis of available data. NECA looks forward to discussing the information contained in this filing with Commission staff in the near future to assure that the concerns identified in the Commission's Order are fully addressed.

Referenced data is contained on a compact disc in Microsoft Excel format accompanying this filing. If questions arise regarding the content of these data files, please contact Mr. Steve Quinnan, Director, Average Schedules, at 973-884-8099.

Sincerely,

Cc: Stephen Burnett
Gary Seigel

No. of Copies rec'd 0+4
List ABCDE

NECA 2005 Modification of Average Schedule Universal Service Formulas

Supplementary Data Submission

March 30, 2005

I. Summary

In this filing, the National Exchange Carrier Association (NECA) responds to the Order of the Wireline Competition Bureau of December 30, 2004, regarding NECA's 2005 Modification of Average Schedule Universal Service Formulas (The 2005 Modification). In that order, the Bureau approved NECA's Cost Per Loop Model for calculating high cost loop support payments to average schedule companies in 2005. The Bureau also directed NECA to supply certain data within 90 days.

In its order, the Bureau directed NECA to supply all unadjusted accounts, loop counts and growth rates used in each modification of average schedule universal service formulas filed in 2002, 2003 and 2004. Accompanying this filing is an electronic copy of this data. In addition, NECA supplies extra data to display explicitly all intermediate steps needed to determine Cost Per Loop (CPL) and Expense Adjustment Per Loop (EAPL) based on these accounts. NECA also shows the projection of these accounts using growth rates cited in each annual filing, and calculation of related CPL and EAPL amounts.

Finally, NECA compares year to year growth in average schedule high cost loop amounts to growth achieved by Subset 3 cost companies. Subset 3 includes all cost companies with annual operating revenues less than $40 million. NECA compares these companies to average schedule companies because of their similarity in size and rural characteristics.

II. Description of Data

Accompanying this filing are data files responding to the Bureau's Order, supporting NECA filings in 2002, 2003 and 2004. NECA's filings document CPL and EAPL models based on account data collected from a statistical sample of average schedule companies. Each filing uses a different sample. NECA's annual Modification of Average Schedules filing, submitted in December of each year, documents NECA's design and selection of a statistical sample of average schedule companies. Data from these companies has been used both in NECA's filings of average schedule formulas for access costs settlements each December, and for universal service support each October.

Each year NECA collects data from about 100 sample average schedule companies. In each filing, NECA uses data collected during the two most recent years, for a total of about 200 sample companies in each study. Thus, in its 2004 Study, NECA used data collected from one sample in 2003 (2002 accounting period), and from the previous sample in 2002 (2001 accounting period).

The 2004 study proposed a HCL formula for 2005 support payments. By the Commission's rules, §36.611, support payments for 2005 are based on 2003 costs. NECA projected accounts of sample companies to 2003 using growth rates described below. Accounts of companies submitted in 2003 were projected from 2002 to 2003 (one year), while accounts of companies that submitted in 2002 were projected from 2001 to 2003 (two years). Since NECA began filing average schedules in 1985, the Commission has

approved formulas based on average schedule accounts projected to the accounting period on which payments to cost companies would be based in the same payment year. Accordingly, the 'Growth Rates' worksheet designates growth rates for each sample study area, reflecting either one or two years of projection. Use of these growth rates is explained in Section III of this report.

All data is in Microsoft Excel format. Each data file contains the worksheets described in Exhibit 1. The appendix to this filing explains the columns in each worksheet.

Exhibit 1 Worksheets Contained in Each Data File	
Worksheet Name	Worksheet Description
Unadjusted	Loop counts and accounts reported by sample study areas. Each record includes Class B level accounts, a year code designating the accounting period on which resulting support payments would be based, a year code designating the accounting period of the reported accounts, factors used to calculate the portion of certain accounts in the loop category, and resulting costs in each account associated with loop. Using the designation of data fields reported by cost companies for HCL data submissions, this worksheet shows the derivation of CPL and EAPL for each company.
Adjusted	Loop counts and accounts projected by NECA for sample study areas. Each record includes Class B level accounts, a year code designating the accounting period on which resulting support payments would be based, a year code designating the accounting period of the reported accounts, factors used to calculate the portion of certain accounts in the loop category, and resulting costs in each account associated with loop. Using the designation of data fields reported by cost companies for HCL data submissions, this worksheet shows the derivation of CPL and EAPL for each company.
Growth Rates	A table of loop and account growth rates assigned to each sample study area by NECA to project loops and accounts to the period on which HCL support proposed by the annual filing is based.

III. Forecasting Methods

The 2005 Modification documents that NECA projected accounts of sample companies to the 2003 accounting period. Growth rates used in this projection are included in the worksheet named 'Growth Rates'. Following is an explanation of their use.

A sample company that provided data in 2003 (study area 170204, for example, shown in the accompanying worksheet "AS USF Sample – Filing 2004.xls") submitted 2002 accounts. Accordingly, the accounts of this company were projected to 2003 using the one-year growth rates in the worksheet. In contrast, accounts of a company that provided data in 2002 (study area 140064, for example), provided 2001 accounts, which were projected using the two-year growth rates[1].

Development of account growth rates is documented in the 2004 Modification of Average Schedules[2], which NECA filed on December 24, 2003. That filing explains that stratified growth rates were used, with a company's assignment to one of three strata depending on its access line count. Thus, for each account, there are six possible growth rates: one for each of three strata, to project one year or to project two years. Exhibit 2 demonstrates the calculation of these rates for the Cable and Wire Facilities account.

---

[1] Some study areas supplied data as part of more than one sample. For example, study area 100020 supplied data as a member of both the 2002 sample and the 2003 sample. In this case, two-year growth rates were used for the first set of accounts, while one-year growth rates were used for the second set of accounts. In addition, the 2003 Study included data from two sample designs, one based on the original five-year sample design, the other on a supplemental design for study areas with high variance in cost per unit (See NECA's 2004 Modification of Average Schedules, Section II.J). This overlay of the supplemental design on the original design could select a company in the sample twice in the same data year. In this case, to maintain accurate statistical weighting of sample strata, two instances of the company's accounts from the same data period are used in the study, with the one-year growth rates applying in each instance.

[2] See NECA's 2004 Modification of Average Schedules, Exhibit 5.2, page V-9.

Exhibit 2 Illustration of One-Year and Two-Year Account Growth Rates Cable and Wire Facilities Investment			
Stratum	Annual Composite Rate A[3]	Two Year Ratio B [1 + 2 × (A-1)]	One Year Ratio C [B / A]
Small	1.0833	1.1666	1.0769
Medium	1.0896	1.1792	1.0822
Large	1.0651	1.1302	1.0611

Accordingly, the 2005 Modification projected this unadjusted account of study area 170204 to increase by 7.69% in 2003, while the unadjusted account of study area 140064 was projected to increase by 16.66%. The resulting projected accounts are shown on the 'Adjusted' worksheets.

Similar calculations were done for each study area, for each account. In each case, NECA used the growth rate developed for the specific account for the size class that the study area belonged to. The "Growth Rates" worksheets in the accompanying files show the growth rates assigned to each company for each account. The accounts data in the 'Adjusted' and 'Unadjusted' worksheets differ in proportions to the designated growth ratio.[4]

[3] See NECA's 2004 Modification of Average Schedules, Exhibit 5.2, columns D, H and L.
[4] Exhibit 5.2 of the 2004 Modification also shows that common growth rates were applied to certain groups of accounts.

Similarly, the 2004 Modification of Average Schedules documents models used to calculate growth rates for projection of access lines and loop counts. These models were used to calculate loop count growth in the 2005 Modification. Following is a discussion of this method.

Like the account growth models, the access line growth models are stratified by access line size, so that each study area is a member of a population in one of three size groups. NECA developed time series regression models of the histories of line counts of the population in each group.

Sample average schedule study areas report USF loop counts to NECA as of April in the year in which they submit data. For example, study areas submitting data in the 2003 sample provide April 2003 loop counts. Because the 2004 study analyzed costs and loops as of the end of 2003, NECA projected these loop counts to December 2003. Similarly, if a company submitted data in the 2002 sample, NECA's 2004 Study projected its loop counts from April 2002 to December 2003.

In either case, the projection was done using a growth rate based on a model documented by NECA in its 2004 Modification of Average Schedules[5]. To determine the growth ratio from April to December 2003, NECA evaluated an estimated population line count based on the model for each of these two data months, then took the ratio of the December count to the April count. Growth ratios obtained by this method appear in the "1 Year"

[5] See NECA's 2004 Modification of Average Schedules, page V-23. For models used in the 2002 Study, See NECA's "2002 Modification of Average Schedules", page V-25. For models used in the 2003 Study, See NECA's "2003 Modification of Average Schedules", page V-23.

rows of Exhibit 3. For study areas that submitted data in the 2002 sample, NECA evaluated the model for April 2002 and December 2003, then took the ratio. These ratios appear in the "2 Years" rows of Exhibit 3.

Exhibit 3
Loop Count Growth Ratios

Filing	Growth Period	Small Study Areas (Fewer than 1000 Lines)	Medium Study Areas (Between 1000 and 7500 Lines)	Large Study Areas (More than 7500 Lines)
2002	1 Year	1.0129	1.0153	1.0205
	2 Years	1.0328	1.0392	1.0528
2003	1 Year	0.9933	0.9993	1.0081
	2 Years	0.9863	1.0010	1.0456
2004	1 Year	0.9956	0.9890	0.9868
	2 Years	0.9891	0.9750	0.9676

In the 2004 Study, accounts and loops projected to 2003 were used to develop CPL and EAPL data for sample companies, as explained in the following sections. Projections of data to earlier years were similarly used in earlier studies.

IV. Cost Per Loop Calculation Methods

Commission rules §36.621 and §36.631 prescribe the calculation of CPL as a prerequisite to calculation of Expense Adjustment (support amount). NECA used those methods to calculate the CPL and EAPL of sample average schedule companies.

Calculation of CPL requires that a company functionally categorize amounts in its accounts between loop cost and all other cost. Analyses that determine this categorization are part of a cost separations study performed by a cost company. Because average schedule companies do not do cost separations studies, NECA explained[6] that it used categorization factors from cost companies to apportion average schedule sample company accounts to the loop category. Those factors are displayed in the 2005 Modification, and are included for each study area in the data submitted with this filing.

For example, the 2005 Modification data file shows that study area 140064 had 93.778% of its Cable and Wire Facilities Investment apportioned to the loop category by this method. This corresponds to 'Factor A' in the Region 1 column of Exhibit 3.3 in NECA's 2005 Modification.[7] Amounts in other accounts were similarly allocated to the loop category using factors from that Exhibit.

Having determined the loop cost component of each account of a sample company, NECA next combined those accounts to determine the CPL for that company. Exhibit 3.4

[6] 2005 Modification, page III-5, ff.
[7] Exhibit 3.3, 2005 Modification, p. III-14.

of the 2005[8] Modification explains this calculation. Each step of this calculation is shown in the Unadjusted and Adjusted worksheets.

NECA used the CPL values shown on the Adjusted worksheets to develop EAPL values for each sample company, as explained in the following section. NECA used the CPL and EAPL values on the Adjusted worksheets to develop the formulas filed in its modifications of universal service formulas. In this data submission, NECA also shows the calculation of CPL and EAPL using unadjusted data. Section VI of this filing includes a comparison of the adjusted and unadjusted data.

[8] See the 2005 Modification, p. III-6.

V. Expense Adjustment Calculation Methods

The Commission's rule §36.631 prescribes the method of calculating a company's HCL support payment (expense adjustment). This method compares a company's CPL to a 'capped' nationwide average CPL (NACPL). If the company's CPL exceeds the NACPL by 15% or more, the company qualifies for an expense adjustment payment. Calculations use the methods shown in Exhibit 4.

Exhibit 4 Calculation of EAPL Based on 2005 Fund Data			
	Low Cost	Moderately High Cost	Very High Cost
Capped NACPL[9]	$298.45	$298.45	$298.45
115% Limit	$343.22	$343.22	$343.22
150% Limit	$447.68	$447.68	$447.68
Study Area CPL	$250.00	$393.22	$497.68
Below 115%			
CPL	$250.00	$343.22	$343.22
Factor	0.00	0.00	0.00
EAPL	$0.00	$0.00	$0.00
Between 115% and 150%			
CPL	$0.00	$50.00	$104.46
Factor	0.65	0.65	0.65
EAPL	$0.00	$32.50	$67.90
Over 150%			
CPL	$0.00	$0.00	$50.00
Factor	0.75	0.75	0.75
EAPL	$0.00	$0.00	$37.50
Total EAPL	$0.00	$32.50	$105.40

[9] This capped NACPL was in effect for 2005 payments at the time of filing of NECA's 2005 Modification. Average schedule payments are adjusted at the time of any NACPL adjustments, consistent with payment adjustments for cost companies.

NECA used the methods of Exhibit 4, with the CPL data of sample study areas, to calculate an EAPL value for each study area. In this calculation, the capped NACPL depends on the payment year. Capped NACPL values at the time of the annual filings are shown in the attached data files.

Exhibit 4 demonstrates several features of the EAPL calculation. First, only the portion of CPL exceeding the 115% threshold qualifies for a payment.

Second, in each payment band, an increase in CPL produces a payment increase that is proportionately larger than the CPL increase. For example, while the CPL of the Very High Cost study area ($497.68) is only 27% higher than the Moderately High Cost study area ($393.22), its EAPL ($105.40) is triple the $32.50 amount of the other study area.

Third, study areas in the Very High Cost band benefit from a higher EAPL Factor for the component of CPL in that band (0.75, as compared to 0.65).

Understanding this qualification threshold influence is critical to understanding differences in EAPL discussed in the following section. To calculate expense adjustments, the Commission's rule §36.631 requires that the CPL of each study area be compared to a threshold based on the nationwide average cost per loop. Only the portion of CPL that exceeds this threshold is eligible for support. Consequently, a company's EAPL changes not in proportion to its CPL changes, but in proportion to the change in the amount by which its CPL exceeds the threshold.

VI. Expense Adjustment Comparisons

To support evaluations of changes in CPL and EAPL formulas over time, NECA completed several comparisons.

- For each payment year, compare adjusted to unadjusted.
- Compare the 2003 payment year to 2004.
- Compare the 2004 payment year to 2005.
- Compare average schedule companies to cost companies.

Exhibit 5 compares the overall sample adjusted and unadjusted CPL values in each study. This exhibit includes data of all sample companies with cost per loop exceeding 115% of the uncapped NACPL (those that could possibly receive a support payment based on individual cost). In each year, the adjusted CPL reflects continuing positive account growth over the level of the unadjusted CPL, but is only a few percentage points higher than the unadjusted one. This moderate difference in CPL values makes clear that NECA's forecasting method is not contributing to undue growth in average schedule payments.

In addition, the adjusted CPL value from one study can be compared to the unadjusted CPL value from the next study to see if the first study did an accurate projection. This comparison would be easier if both CPL values represented exactly the same data period. Unfortunately, they do not. Nevertheless, the comparison shows the projections to be reasonable, perhaps even somewhat conservative, as explained below.

Compare, for example, the adjusted CPL from the 2002 study to the unadjusted CPL from the 2003 study. The unadjusted CPL from the 2003 study is based on an average of 2000 and 2001 unadjusted accounts, representing, on average, an earlier time than end of year 2001. In contrast, the adjusted CPL from the 2002 study represents end-of-year 2001. Additional growth occurs between the average period of the 2003 study unadjusted accounts and the 2002 study adjusted accounts.

Because account growth has been positive, the 2002 study adjusted CPL should exceed the 2003 study unadjusted CPL by one-half a year's growth. Similarly, the 2003 study adjusted CPL should exceed the 2004 study unadjusted CPL.

Exhibit 5 shows that the adjusted CPL from one study has been a close predictor of the unadjusted CPL from the subsequent study. The exhibit also shows that, contrary to expectations, the adjusted CPL from one study does not always exceed the unadjusted CPL from the subsequent study. These data suggest that NECA's studies may be slightly under-forecasting growth of CPL on the whole.

Exhibit 5 also compares EAPL values based on adjusted and unadjusted accounts. Relative effects of growth projections on EAPL values are greater than the related effect on CPL. This greater impact is due entirely to the threshold component of the expense adjustment calculation rule, as discussed above.

Exhibit 5 Average Schedule Samples Unadjusted and Adjusted CPL and EAPL		
2003 Support Payment Sample Data		
	CPL	EAPL
Unadjusted	$353.97	$35.83
Adjusted	$369.61	$44.91
% Change	4.4%	15.7%
2004 Support Payment Sample Data		
Unadjusted	$361.47	$36.87
Adjusted	$379.43	$47.06
% Change	5.0%	27.6%
2005 Support Payment Sample Data		
Unadjusted	$384.73	$40.04
Adjusted	$397.14	$46.99
% Change	3.2%	17.4%

Exhibit 6 compares year-to-year changes in EAPL to associated changes in CPL, also based on study areas whose CPL exceeds 115% of the uncapped NACPL. This exhibit shows that average schedule cost per loop changes have been comparatively quite small, consistently less than half of the cost company changes[10]. Even more striking, Average schedule expense adjustment per loop changes have been approximately only one-fourth or less as large as cost company changes. Clearly, average schedule USF increases have been modest compared to those experienced by similarly situated cost companies.

EAPL levels in this exhibit are based on the annual cost company data submission and the corresponding average schedule filing each year. According to these views of data, average schedule expense adjustments per loop would have increased by only 14% in

[10] This exhibit compares the population of average schedule companies to the population of Subset 3 cost companies, a group that is similar in size and rural characteristics to average schedule companies.

2004 and 5% in 2005. In contrast, NECA's average schedule filings have shown larger percentage changes, comparing proposed payments each year not to the prior year's filing, but to actual payments in effect, which had been much reduced from the filing level because of intervening increases in the capped NACPL.

Exhibit 6 Year to Year Changes in Per Loop CPL and EAPL		
Cost Companies		
	CPL	EAPL
2003 to 2004 Change	$32.00	$15.68
2004 to 2005 Change	$45.32	$14.79
Average Schedule Companies		
	CPL	EAPL
2003 to 2004 Change	$18.05	$4.44
2004 to 2005 Change	$21.79	$1.71

VII. Conclusion

This filing supplies and explains all data requested by the Bureau in its December Order. The data shows that percentage increases in payments in recent years are products of moderate cost growth, and of the fund's threshold influence, and not in any way due to incorrect growth projections. The data further show that increases in average schedule company USF payments have been modest compared to increases experienced by similarly situated cost companies.

ADJUSTED AND UNADJUSTED SAMPLE DATA - VARIABLE NAMES

1	SAR_ID	STUDY AREA CODE
2	FUNDACTYR	FUND ACCOUNTING YEAR
3	SAMPACTYR	GROWTH PERIOD
4	DL060	TOTAL LOOPS
5	DL070	CATEGORY 1.3 LOOPS
6	DL160	TPIS
7	DL170	MATERIAL AND SUPPLIES
8	DL190	ACCUMULATED DEPRECIATION
9	DL195	ACCUMULATED AMORTIZATION -TANGIBLE
10	DL210	NET NONCUR. DEFERRED OPERATING INCOME TAXES
11	DL220	NET PLANT INVESTMENT
12	DL245	TOTAL CENTRAL OFFICE EQUIPMENT
13	F230	COST CO. AVG DL230 / DL245 BY NECA REGION
14	DL230	CENTRAL OFFICE SWITCHING EQUIPMENT
15	F235	COST CO. AVG DL235 / DL245 BY NECA REGION
16	DL235	OPERATOR SYSTEM EQUIPMENT
17	F240	COST CO. AVG DL240 / DL245 BY NECA REGION
18	DL240	CENTRAL OFFICE TRANSMISSION EQUIPMENT
19	F250	COST CO. AVG DL240 / DL245 BY NECA REGION
20	DL250	CIRCUIT EQUIPMENT - CATEGORY 4.13
21	DL255	CABLE AND WIRE FACILITIES (C&WF) - TOTAL
22	TPIS_COS	COE SWITCHING FRACTION OF TPIS
23	COS_3100	COE SWITCHING FRACTION OF DEPRECIATION
24	TPIS_COO	COE OPERATOR FRACTION OF TPIS
25	COO_3100	TPIS_COO * DL190
26	TPIS_COT	COE TRANSMISSION FRACTION OF TPIS
27	COT_3100	TPIS_COT * DL190
28	TPIS_CW	C&W FRACTION OF TPIS
29	CW_3100	TPIS_CW * DL190
30	COESRAT	COE SWITCHING FRACTION OF DEPRECIATION
31	DL260	ACCUMULATED DEPR. -COE SWITCHING
32	COEORAT	COE OPERATOR FRACTION OF DEPRECIATION
33	DL265	ACCUMULATED DEPR. - OPERATOR SYSTEM EQUIPMENT
34	COETRAT	ACCUM. DEPR. ADJ. RATIO - COE
35	DL270	ACCUM. DEPR. -COE TRANSMISSION
36	DL275	TOTAL ACCUMULATED DEPR. - COE
37	CWRAT	ACCUM. DEP. ADJ. RATIO - C&WF
38	DL280	ACCUMULATED DEPR. C&WF
39	F310	COST CO. AVG DL310 / DL210 BY NECA REGION
40	DL310	NET NONCURR DEF. OPERATING IT - COE SWITCHING
41	F315	COST CO. AVG DL315 / DL210 BY NECA REGION
42	DL315	NET NONCURR DEF. OPERATING IT - OPERATOR SYSTEM EQUIP.
43	F320	COST CO. AVG DL320 / DL210 BY NECA REGION
44	DL320	NET NONCURR DEF. OPERATING IT - COE TRANSMISSION
45	F325	COST CO. AVG DL325 / DL210 BY NECA REGION
46	DL325	NET NONCURR DEF. OPERATING IT - COE

ADJUSTED AND UNADJUSTED SAMPLE DATA - VARIABLE NAMES

47	F330	COST CO. AVG DL330 / DL210 BY NECA REGION
48	DL330	NET NONCURR DEF. OPERATING IT - C&WF
49	DL335	NETWORK SUPPORT EXPENSE (NSE)- TOTAL
50	F340	COST CO. AVG DL340 / DL335 BY NECA REGION
51	DL340	BENEFITS - NETWORK SUP. EXP -THE AMOUNT OF BENEF. INCLUDED IN ACCT 6110
52	F345	COST CO. AVG DL345 / DL335 BY NECA REGION
53	DL345	RENTS - NETWORK SUPP. EXP. THE AMOUNT OF RENTS INCLUDED IN ACCT 6110
54	DL350	GENERAL SUPPORT EXPENSE - TOTAL
55	F355	COST CO. AVG DL355 / DL350 BY NECA REGION
56	DL355	BENEFITS - GENERAL SUPPORT EXPENSE - THE AMOUNT OF BENEFITS INCLUDED IN ACCT 6120
57	F360	COST CO. AVG DL360 / DL350 BY NECA REGION
58	DL360	RENTS - GENERAL SUPPORT EXP - THE AMOUNT OF RENTS INCLUDED IN ACCT 6120
59	DL410	CENTRAL OFFICE EXPENSE - TOTAL
60	F365	COST CO. AVG DL365 / DL410 BY NECA REGION
61	DL365	CENTRAL OFFICE SWITCHING EXPENSE - TOTAL
62	F370	COST CO. AVG DL370 / DL410 BY NECA REGION
63	DL370	BENEFITS - CO SWITCHING EXP - THE AMOUNT OF BENEFITS INCLUDED IN ACCT 6210
64	F375	COST CO. AVG DL375 / DL410 BY NECA REGION
65	DL375	RENTS - CO SWITCHING EXP - THE AMOUNT OF RENTS INCLUDED IN ACCT 6210
66	F380	COST CO. AVG DL380 / DL410 BY NECA REGION
67	DL380	OPERATOR SYSTEMS EXPENSE - TOTAL
68	F385	COST CO. AVG DL385 / DL410 BY NECA REGION
69	DL385	BENEFITS - OPERATOR SYSTEMS EXPENSE - THE AMOUNT OF BENEFITS INCLUDED IN ACCT 6220
70	F390	COST CO. AVG DL390 / DL410 BY NECA REGION
71	DL390	BENEFITS - OPERATOR SYSTEMS EXPENSE
72	F395	COST CO. AVG DL395 / DL410 BY NECA REGION
73	DL395	CENTRAL OFFICE EXPENSE - TRANSMISSION EQUIPMENT - TOTAL
74	F400	COST CO. AVG DL400 / DL410 BY NECA REGION
75	DL400	BENEFITS - CENTRAL OFFICE EXPENSE - TRANSMISSION - THE AMOUNT OF BENEFITS INCLUDED IN ACCT 6230
76	F405	COST CO. AVG DL405 / DL410 BY NECA REGION
77	DL405	RENTS -CENTRAL OFFICE EXPENSE - TRANSMISSION - THE AMOUNT OF RENTS INCLUDED IN ACCT 6230
78	DL430	C&WF EXPENSE - TOTAL
79	F435	COST CO. AVG DL435 / DL430 BY NECA REGION
80	DL435	BENEFITS - C&WF EXPENSE - THE AMOUNT OF BENEFITS INCLUDED IN ACCT 6410
81	F440	COST CO. AVG DL440 / DL430 BY NECA REGION
82	DL440	RENTS - C&WF EXPENSE - THE AMOUNT OF RENTS INCLUDED IN ACCT 6410
83	DL445	TOTAL PLANT SPECIFIC EXPENSE

ADJUSTED AND UNADJUSTED SAMPLE DATA - VARIABLE NAMES

84	DL450	NETWORK OPERATIONS EXPENSE - TOTAL
85	F455	COST CO. AVG DL455 / DL450 BY NECA REGION
86	DL455	BENEFITS - NETWORK OPERATIONS EXPENSE - THE AMOUNT OF BENEFITS INCLUDED IN ACCT 6530
87	F510	COST CO. AVG DL510 / DL230 BY NECA REGION
88	DL510	DEPRECIATION AND AMORTIZATION EXPENSE - COE SWITCHING
89	F515	COST CO. AVG DL515 / DL235 BY NECA REGION
90	DL515	DEPRECIATION AND AMORTIZATION EXPENSE - OPERATOR SYSTEM EQUIPMENT
91	F520	COST CO. AVG DL520 / DL240 BY NECA REGION
92	DL520	DEPRECIATION AND AMORTIZATION EXPENSE - COE TRANSMISSION
93	DL525	DEPRECIATION AND AMORTIZATION EXPENSE - COE
94	F530	COST CO. AVG DL530 / DL255 BY NECA REGION
95	DL530	DEPRECIATION AND AMORTIZATION EXPENSE - C&WF
96	DL535	EXECUTIVE AND PLANNING EXPENSE - TOTAL
97	F540	COST CO. AVG DL540 / DL535 BY NECA REGION
98	DL540	BENEFITS - EXECUTIVE AND PLANNING EXPENSE - THE AMOUNT OF BENEFITS INCLUDED IN ACCT 6710
99	DL550	GENERAL AND ADMINISTRATIVE EXPENSE - TOTAL
100	F555	COST CO. AVG DL555 / DL550 BY NECA REGION
101	DL555	BENEFITS - GENERAL AND ADMINISTRATIVE EXPENSE - THE AMOUNT OF BENEFITS INCLUDED IN ACCT 6720
102	DL565	TOTAL CORPORATE OPERATIONS EXPENSE
103	FTX	COST CO. AVG DL650 / DL160 BY NECA REGION
104	DL650	OPERATING TAXES
105	F700	COST CO. AVG DL700 / DL255 BY NECA REGION
106	DL700	AVERAGE INVESTMENT IN C&WF
107	F710	COST CO. AVG DL710 / DL700 BY NECA REGION
108	DL710	AVERAGE INVESTMENT IN C&WF CAT 1
109	USFBEN	SUM DLs 340, 355, 370, 385, 400, 435, 455, 540 AND 555
110	F600	COST CO. AVG DL600 / (DLs 340, 355, 370, 385, 400, 435, 455, 540, 555) BY NECA REGION
111	DL600	BENEFITS - THE BENEFITS PORTION INCLUDED IN ACCTS: 6110, 6120, 6210, 6220, 6230, 6310,6410, 6510, 6530, 6540, 6610, 6620, 6710, 6720
112	USFRENT	SUM DLs 345, 360, 375, 390, 405, 440
113	F610	COST CO. AVG DL610 / (DLs 345, 360, 375, 390, 405, 440) BY NECA REGION
114	DL610	RENTS - THE RENTS PORTION INCLUDED IN ALL PLANT SPECIFIC OPERATIONS EXPENSE
115	DL800	AMORTIZABLE TANGIBLE ASSETS
116	F805	COST CO. AVG DL805 / DL800 BY NECA REGION
117	DL805	AMORTIZABLE TANGIBLE ASSETS - COE TRANSMISSION
118	F810	COST CO. AVG DL810 / DL800 BY NECA REGION
119	DL810	AMORTIZABLE TANGIBLE ASSETS - COE TRANSMISSION - CAT 4.13
120	F815	COST CO. AVG DL815 / DL800 BY NECA REGION
121	DL815	AMORTIZABLE TANGIBLE ASSETS - C&WF
122	F820	COST CO. AVG DL820 / DL800 BY NECA REGION

ADJUSTED AND UNADJUSTED SAMPLE DATA - VARIABLE NAMES

123	DL820	AMORTIZABLE TANGIBLE ASSETS - C&WF -CAT 1
124	F830	COST CO. AVG DL830 / DL800 BY NECA REGION
125	DL830	DEPRECIATION AND AMORTIZATION EXPENSE - AMORTIZABLE TANGIBLE ASSETS
126	DAL1	C&WF + PORTION OF CAPITAL LEASES ASSIGNED TO C&WF CAT 1
127	DAL2	COE + PORTION OF CAPITAL LEASES ASSIGNED TO COE CAT 4.13
128	DAL3	A FACTOR (DL710 / DL700)
129	DAL4	B FACTOR (DL250 / DL245)
130	DAL5	C FACTOR (DL710 / DL160)
131	DAL6	D FACTOR (DL250 / DL160)
132	DAL7	M&S ASSIGNED TO C&WF CAT 1
133	DAL8	M&S ASSIGNED TO COE CAT 4.13
134	DAL9	ACC DEP. + ACC AMORT + NET NC DEF TAX ASSIGNED TO C&WF CAT 1
135	DAL10	ACC DEP. + ACC AMORT + NET NC DEF TAX ASSIGNED TO COE CAT 4.13
136	DAL11	RESERVED
137	DAL12	RESERVED
138	DAL13	C&WF EXPENSE ASSIGNED TO CAT 1
139	DAL14	COE EXPENSE ASSIGNED TO CAT 4.13
140	DAL15	NET SUPPORT EXP + GEN SUPPORT EXP ASSIGNED TO CAT 1 AND 4.13
141	DAL16	NET OPER EXP ASSIGNED TO CAT 1 AND 4.13
142	DAL17	DEPRECIATION AND AMORTIZATION EXPENSE ASSIGNED TO C&WF CAT 1
143	DAL18	DEPRECIATION AND AMORTIZATION EXPENSE ASSIGNED TO COE CAT 4.13
144	MCOPXL	AVG MONTHLY CORPORATE OPERATIONS EXPENSE PER LOOP
145	AMTPRLN	UPPER LIMIT ON MONTHLY CORP OPS EXPENSE PER LOOP
146	DAL19	CORP OPS EXPENSE ASSIGNED TO C&WF CAT 1 AND COE CAT 4.13
147	DAL20	OPERATING TAXES ASSIGNED TO C&WF CAT 1 AND COE CAT 4.13
148	DAL21	BENEFITS (NOT CORP OPS) ASSIGNED TO C&WF CAT 1 AND COE CAT 4.13
149	DAL22	RENTS ASSIGNED TO C&WF CAT 1 AND COE CAT 4.13
150	DAL23	RETURN COMPONENT FOR C&WF CAT 1
151	DAL24	RETURN COMPONENT FOR COE CAT 4.13
152	DAL25	TOTAL UNSEPARATED COSTS (SUM AL13 THRU AL24)
153	DAL26	COST PER LOOP
154	REGBYSAR	REGION BY STUDY AREA
155	NACPL	NATIONAL AVERAGE COST PER LOOP
156	EXADPRLP	ANNUAL HIGH COST LOOP SUPPORT PER LOOP
157	EXPADJST	ANNUAL HIGH COST LOOP SUPPORT

2005 Modification of Average Schedule Universal Service Formulas
Supplementary Data Submission
Appendix

ACCOUNTING AND DEMAND GROWTH RATES- VARIABLE NAMES

1	SAR_ID	STUDY AREA CODE
2	FUNDACT	FUND ACCOUNTING YEAR
3	GRT_PER	GROWTH PERIOD
4	ACCLIN	ACCESS LINES
5	DEMAND_GRT	DEMAND GROWTH
6	FCOE	CENTRAL OFFICE EQUIPMENT
7	IOT	IOT
8	FCWF	CABLE & WIRE FACILITIES
9	FLSP	LAND & SUPPORT ASSETS
10	FINT	INTANGIBLES
11	FTNG	AMORTIZABLE TANGIBLE ASSETS
12	FINV	MATERIALS AND SUPPLIES
13	FADEP1	ACCUM. DEPRECIATION & AMORTIZATION
14	FNDFT	NET DEFERRED OPERATING INCOME TAX
15	FPLTS1	PLANT SPECIFIC EXPENSE
16	FNONP	PLANT NONSPECIFIC OPERATIONS EXPENSE
17	FCORP1	CORPORATE OPERATIONS EXPENSE

DOCKET NO. 96-45 Attachment A

DOCUMENT OFF-LINE

This page has been substituted for one of the following:

o This document is confidential (**NOT FOR PUBLIC INSPECTION**)

o An oversize page or document (such as a map) which was too large to be scanned into the ECFS system.

o Microfilm, microform, certain photographs or videotape.

o Other materials which, for one reason or another, could not be scanned into the ECFS system.

The actual document, page(s) or materials may be reviewed (**EXCLUDING CONFIDENTIAL DOCUMENTS)** by contacting an Information Technician at the FCC Reference Information Centers) at 445 12th Street, SW, Washington, DC, Room CY-A257. Please note the applicable docket or rulemaking number, document type and any other relevant information about the document in order to ensure speedy retrieval by the Information Technician

1 CD ROM